

**TONGANOXIE
UNIFIED SCHOOL DISTRICT NO. 464**

**REGULATORY BASIS FINANCIAL STATEMENTS
For the year ended June 30, 2015**

And

INDEPENDENT AUDITOR'S REPORTS ON FINANCIAL STATEMENTS

...KL...

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TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Education
Unified School District No. 464
Tonganoxie, Kansas 66086

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 464, Tonganoxie, Kansas ("the Municipality") as of and for the year ended June 30, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting

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policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District No. 464, Tonganoxie, Kansas ("the Municipality") meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 464, Tonganoxie, Kansas ("the Municipality") as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 464, Tonganoxie, Kansas as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

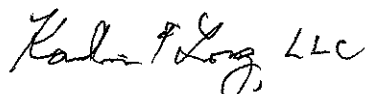
Report on Supplementary Information

Our audit was conducted for the purpose of forming opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures – agency funds, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompany schedule

of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States and Local Governments, and Non-Profit Organizations" and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with "Government Auditing Standards", we have also issued our report dated January 31, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control of financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the District's internal control over financial reporting and compliance.



Karlin & Long, LLC
Certified Public Accountants

Lenexa, KS
January 31, 2016

Schedule 1

The notes to the financial statements are an integral part of this statement.

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No.464 is a municipal corporation governed by an elected seven member board. This financial statement presents USD No. 464 (the municipality) and its related municipal entities. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2015:

Governmental Funds

General Fund– The chief operating fund. Used to account for the resources except those required to be accounted for in another fund.

Special Purpose Funds – Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long term debt) that are intended for specified purposes.

Bond and Interest Funds – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Funds – Used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (continued)

Fiduciary Funds

Agency Funds – Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, activity accounts, etc.).

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Reimbursed Expenses

Expenditures in the amount of \$ 124,334 as classified as reimbursed expenses in the General Fund. Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement. Such expenditures are exempt from the budget laws under K.S.A. 79-2934

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year 2015.

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (continued)

as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end

A legal operating budget is not required for capital projects funds and trust funds and the following special purpose funds:

Textbook Student Material Fund	Carl Perkins Grant
Contingency Reserve Fund	Title IIA Fund
Title I Fund	District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimates.

NOTE 2 – Deposits and Investments

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the government. The statute requires banks eligible to hold the government's funds have a main or branch bank in the county in which the government is

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Deposits (Continued)

located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the government's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The government has no investment policy that would further limit its investment choices. The District's investments are categorized to give an indication of the level or risk assumed by the entity at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in risk Category 1 have the least risk to the municipality

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Custodial Credit Risk – Deposits (Continued)

Home Loan Bank of Topeka, except during designated “peak periods” when required coverage is 50%. All deposits were legally secured at June 30, 2015.

At June 30, 2015, the government’s carrying amount of deposits was \$5,697,406 and the bank balance was \$5,467,626. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$351,866 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions’ agents in the district’s name.

	Risk			Carrying Amount	Market Value
	1	2	3		
Investments	-0-	-0-	-0-	-0-	-0-
Kansas Municipal Investment Pool				<u>\$ 3,159,446</u>	<u>\$ 3,159,446</u>

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

As of June 30, 2015 the Municipality had invested \$ 3,159,446 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Defined Benefit Pension Plan

Plan Description – USD No. 232 participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414 (h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability – The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which rolled forward to June 30, 2014. As of June 30 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$962,997 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website www.kpers.org or can be obtained as described in the first paragraph above.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Stewardship, Compliance and Accountability

We noted no violations of Kansas Statutes for the period under audit.

NOTE 6 – Compensated Absences

The District's policy regarding sick pay is to grant certified and full – time classified personnel sick leave at the rate of one day per month up to maximum accumulation of the 10 days per contract year. The maximum number of sick days accumulated overall cannot exceed 120. Certified staff who use five or fewer days of their annual 10 sick days accumulation have the option of carrying one – half of their unused days over the next year, and being paid for the other half. The reimbursement is computed at .3% at the base salary per day, and is paid prior to June 30.

After ten years of service to the District, classified employees who are age 55 or older, and teachers who are eligible for full KEPERS retirement, are eligible to receive the current substitute rate per day for any unused accumulated sick leave at retirement. Vacation leave is earned only by the District's full – time employees. Any unused vacation time at June 30 may be accumulated only with the superintendent's permission.

NOTE 7 – Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statements.

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Interfund Transactions

From	To	Statutory Authority	Amount
General Fund	Contingency Fund	K.S.A. 72-6428	\$ 100,000
General Fund	Textbook Fund	K.S.A. 72-6428	200,035
General Fund	Virtual Education Fund	K.S.A. 72-6428	2,000
General Fund	Special Education Fund	K.S.A. 72-6428	2,263,218
General Fund	At-Risk Fund (K-12)	K.S.A. 72-6428	800,000
General Fund	Parent Education Fund	K.S.A. 72-6428	18,500
General Fund	Professional Development	K.S.A. 72-6428	60,000
General Fund	Capital Outlay Fund	K.S.A. 72-6428	364,454
General Fund	Vocational Education Fund	K.S.A. 72-6425	342,927
Supplemental General Fund	At-Risk Fund (K-12)	K.S.A. 72-6425	177,628
Contingency Reserve Fund	Supplemental General Fund	K.S.A. 72-6460	24,446

NOTE 9 – Subsequent Events

Subsequent events for management's review have been evaluated through January 31, 2016. The date in the prior sentence is the date the financial statements were available to be issued.

NOTE 10 – In-Substance Receipt in Transit

The district received \$712,592 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

NOTE 11 – Indebtedness

The District is subject to the statutes of the State of Kansas that limits the net bonded debt. The debt outstanding may not exceed 14% of the assessed value of all tangible taxable property within the District unless additional authority is granted by the Kansas State Board of Education. The amount of bonds outstanding is computed exclusive of certain bonds specifically exempted from this limitation. At June 30, 2015, the statutory limit for the district was \$13,806,672 thus creating excess indebtedness of \$ 34,688,328. The outstanding bond principal represents 4 of the District valuation.

USD #664 TONGANOXIE, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 12-

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
2005-A Issue	3.00% - 5.00%	3/15/05	\$ 15,725,000	9/1/30	\$ 8,015,000	\$	\$ 7,135,000	\$ (7,135,000)	\$ 880,000	\$
2007-A Issue	3.90% - 4.10%	5/1/07	9,905,000	9/1/28	9,665,000		40,000	(40,000)	9,625,000	393,005
2008-A Issue	5.00%	6/30/08	530,000	9/1/31	530,000			0	530,000	26,500
2013-A Issue	2.00% - 4.00%	3/27/13	17,535,000	9/1/38	17,535,000			0	17,535,000	588,231
2014-A Issue	2.00% - 3.00%	2/15/14	4,015,000	9/1/22	4,015,000		30,000	(30,000)	3,985,000	124,146
2014-B Issue	3.00%	10/22/14	15,940,000	9/1/30	0	15,940,000		15,940,000	15,940,000	182,587
Capital Leases payable										
Facility Conservation Program	3.06%	5/13/12	2,005,104	7/15/23	1,693,678		160,317	(160,317)	1,533,361	50,609
Technology upgrades	3.67%	4/18/11	168,915	4/18/15	44,762		44,762	(44,762)	0	1,666
Bus Lease	1.91%	6/15/12	326,000	12/1/16	197,428		64,557	(64,557)	132,871	3,807
Technology upgrades	1.87%	6/15/12	218,000	12/1/15	110,026		54,488	(54,488)	55,538	2,121
Technology upgrades	1.35%	5/28/13	314,667	5/28/17	238,359		77,338	(77,338)	161,021	3,218
Bus Lease	1.50%	7/15/14	195,996	7/15/19	0	195,996		195,996	195,996	
Truck Purchase	1.50%	11/6/14	49,693	11/6/17	0	49,693		49,693	49,693	
Van purchase	1.50%	1/7/15	101,728	1/7/18	0	101,728		101,728	101,728	
Technology upgrades	1.27%	4/21/15	173,666	4/21/19	0	173,666		173,666	173,666	
Bus Lease	1.25%	5/27/15	165,466	5/27/20	0	165,466		165,466	165,466	
Total Long Term Debt					\$ 42,044,253	\$ 16,626,549	\$ 7,606,462	\$ 9,020,087	\$ 51,064,340	\$ 1,375,890
Principal	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2035	2036-2039	Total
General Obligation Bonds	\$ 1,775,000	\$ 1,840,000	\$ 1,890,000	\$ 1,950,000	\$ 2,025,000	\$ 11,020,000	\$ 13,230,000	\$ 8,745,000	\$ 6,020,000	\$ 48,495,000
Special Assessment Bonds										0
Certificates of Participation										0
Capital Leases	526,529	483,858	342,677	299,407	262,357	654,512				2,569,340
Revenue Bonds										0
No-Fund Warrants										0
Temporary Notes										0
Interest	2,301,329	2,323,858	2,232,677	2,249,407	2,287,357	11,674,512	13,230,000	8,745,000	6,020,000	51,064,340
General Obligation Bonds										
Special Assessment Bonds	1,959,766	1,692,295	1,644,740	1,591,262	1,526,689	6,481,981	4,090,411	1,733,070	449,720	21,169,934
Certificates of Participation										0
Capital Leases	60,958	49,104	40,279	32,539	25,369	38,637				246,886
Revenue Bonds										0
No-Fund Warrants										0
Temporary Notes										0
Total Interest	2,020,724	1,741,399	1,685,019	1,623,801	1,552,058	6,520,618	4,090,411	1,733,070	449,720	21,416,820
Total Principal and Interest	\$ 4,322,253	\$ 4,065,257	\$ 3,917,696	\$ 3,873,208	\$ 3,839,415	\$ 18,195,130	\$ 17,320,411	\$ 10,478,070	\$ 6,469,720	\$ 72,481,160

Unified School District No. 464, Tonganoxie Kansas

Regulatory-Required

Supplementary Information

For the year ended June 30, 2015

USD #464 TONGANOXIE, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

Schedule 1

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
Governmental Type Funds						
General Funds						
General	\$ 10,852,625	\$ (91,577)	\$ 124,334	\$ 10,885,382	\$ 10,885,381	\$ (1)
Supplemental General	3,711,991	(27,383)	0	3,684,608	3,684,608	0
Special Purpose Funds						
Vocational Education	315,000	0	0	315,000	298,714	(16,286)
Special Education	3,702,286	0	0	3,702,286	2,541,976	(1,160,310)
Driver Training	26,600	0	0	26,600	16,485	(10,115)
Food Service	937,188	0	0	937,188	897,881	(39,307)
Capital Outlay	1,780,777	0	0	1,780,777	1,214,508	(566,269)
Gifts and grants	0	0	0	0	568	568
Extraordinary Growth Facilities Program	448,400	0	0	448,400	448,400	0
Professional Development	53,350	0	0	53,350	39,537	(13,813)
KPERs Special Contribution	1,161,625	0	0	1,161,625	975,681	(185,944)
Parent Education	18,500	0	0	18,500	18,500	0
At-Risk Fund (K-12)	950,000	0	0	950,000	865,012	(84,988)
Virtual Education	4,000	0	0	4,000	2,000	(2,000)
Bond and Interest Funds						
Bond and Interest	2,368,760	0	0	2,368,760	2,234,469	(134,291)

USD #464 TONGANOXIE, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants	10,761,048	10,852,625	(91,577)
Charges for services			0
Interest income			0
Miscellaneous revenues	124,334		124,334
Operating transfers			0
Total Cash Receipts	<u>10,885,382</u>	<u>10,852,625</u>	<u>32,757</u>
EXPENDITURES			
Instruction	5,548,262	6,076,405	(528,143)
Student support services	347,893	182,500	165,393
Instruction support staff	149,468	154,600	(5,132)
General administration	88,029	65,400	22,629
School administration			0
Operations and maintenance			0
Student transportation services	518,477	586,500	(68,023)
Central support services			0
Other support services	55,096	82,275	(27,179)
Food service operations			0
Student activities	27,022		27,022
Facility acquisition and construction services			0
Debt service			0
Operating transfers	4,151,134	3,704,945	446,189
Adjustment to comply with legal max		(91,577)	91,577
Adjustment for qualifying budget credits		124,334	(124,334)
Total Expenditures	<u>10,885,381</u>	<u>\$ 10,885,382</u>	<u>\$ (1)</u>
Receipts Over (Under) Expenditures	1		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1</u>		

USD #464 TONGANOXIE, KANSAS
 SUPPLEMENTAL GENERAL FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,228,230	\$ 1,203,765	\$ 24,465
Delinquent tax	106,068	11,204	94,864
Motor vehicle tax	230,100	218,259	11,841
RV tax	4,658	3,102	1,556
Federal grants			0
State aid/grants	1,999,066	2,119,918	(120,852)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	24,446		24,446
 Total Cash Receipts	 <u>3,592,568</u>	 <u>3,556,248</u>	 <u>36,320</u>
 EXPENDITURES			
Instruction	227,364	257,259	(29,895)
Student support services	14,697	17,095	(2,398)
Instruction support staff	347,642	330,339	17,303
General administration	348,777	383,000	(34,223)
School administration	816,342	943,790	(127,448)
Operations and maintenance	1,481,564	1,517,880	(36,316)
Student transportation services			0
Central support services	221,286	85,000	136,286
Other support services	49,308		49,308
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	177,628	177,628	0
Adjustment to comply with legal max		(27,383)	27,383
Adjustment for qualifying budget credits			0
 Total Expenditures	 <u>3,684,608</u>	 <u>\$ 3,684,608</u>	 <u>\$ 0</u>
 Receipts Over (Under) Expenditures	 (92,040)		
Unencumbered Cash, Beginning	92,040		
Prior Year Cancelled Encumbrances			
 Unencumbered Cash, Ending	 <u>\$ 0</u>		

USD #464 TONGANOXIE, KS
VOCATIONAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants	23,579	37,850	(14,271)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>342,927</u>	<u>342,773</u>	<u>154</u>
Total Cash Receipts	<u>366,506</u>	<u>380,623</u>	<u>(14,117)</u>
EXPENDITURES			
Instruction	298,714	315,000	(16,286)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with			
legal max			0
Adjustment for qualifying			
budget credits			<u>0</u>
Total Expenditures	<u>298,714</u>	<u>\$ 315,000</u>	<u>\$ (16,286)</u>
Receipts Over (Under) Expenditures	67,792		
Unencumbered Cash, Beginning	89,872		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 157,664</u>		

USD #464 TONGANOXIE, KS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	40,388	1,300,000	(1,259,612)
Operating transfers	<u>2,263,218</u>	<u>2,015,218</u>	<u>248,000</u>
Total Cash Receipts	<u>2,303,606</u>	<u>3,315,218</u>	<u>(1,011,612)</u>
EXPENDITURES			
Instruction	2,176,983	3,702,286	(1,525,303)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services	364,993		364,993
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>2,541,976</u>	<u>\$ 3,702,286</u>	<u>\$ (1,160,310)</u>
Receipts Over (Under) Expenditures	(238,370)		
Unencumbered Cash, Beginning	435,504		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 197,134</u>		

USD #464 TONGANOXIE, KS
 DRIVER TRAINING FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants	5,487	5,525	(38)
Charges for services	13,625	11,111	2,514
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>19,112</u>	<u>16,636</u>	<u>2,476</u>
EXPENDITURES			
Instruction	14,182	19,000	(4,818)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	2,303	7,600	(5,297)
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>16,485</u>	<u>\$ 26,600</u>	<u>\$ (10,115)</u>
Receipts Over (Under) Expenditures	2,627		
Unencumbered Cash, Beginning	11,224		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 13,851</u>		

USD #464 TONGANOXIE, KS
 FOOD SERVICE FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants	404,893	386,560	18,333
State aid/grants	9,498	8,182	1,316
Charges for services	513,361	349,941	163,420
Interest income			0
Miscellaneous revenues	411		411
Operating transfers			0
Total Cash Receipts	<u>928,163</u>	<u>744,683</u>	<u>183,480</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	61,873	45,000	16,873
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	836,008	892,188	(56,180)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>897,881</u>	<u>\$ 937,188</u>	<u>\$ (39,307)</u>
Receipts Over (Under) Expenditures	30,282		
Unencumbered Cash, Beginning	286,138		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 316,420</u>		

USD #464 TONGANOXIE, KS
 CAPITAL OUTLAY FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 688,057	\$ 662,459	\$ 25,598
Delinquent tax	32,487	2,305	30,182
Motor vehicle tax	65,898	63,430	2,468
RV tax	1,324		1,324
Federal grants			0
State aid/grants	184,317	290,713	(106,396)
Charges for services			0
Interest income	233,802		233,802
Miscellaneous revenues	2,637		2,637
Operating transfers	364,454	364,454	0
Total Cash Receipts	<u>1,572,976</u>	<u>1,383,361</u>	<u>189,615</u>
EXPENDITURES			
Instruction	34,701	42,106	(7,405)
Student support services		180,000	(180,000)
Instruction support staff	203,688	230,000	(26,312)
General administration			0
School administration			0
Operations and maintenance	51,253	781,218	(729,965)
Student transportation services	75,874	186,527	(110,653)
Central support services	71,523		71,523
Other support services	12,711		12,711
Food service operations	11,303		11,303
Student activities			0
Facility acquisition and construction services	753,455	360,926	392,529
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,214,508</u>	<u>\$ 1,780,777</u>	<u>\$ (566,269)</u>
Receipts Over (Under) Expenditures	358,468		
Unencumbered Cash, Beginning	662,136		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 1,020,604</u>		

USD #464 TONGANOXIE, KS
GIFTS & GRANTS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	Variance- (Under) (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	16,732		16,732
Operating transfers			0
	<u>16,732</u>	<u>0</u>	<u>16,732</u>
EXPENDITURES			
Instruction	568		568
Student transportation services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>568</u>	<u>\$ 0</u>	<u>\$ 568</u>
Receipts Over (Under) Expenditures	16,164		
Unencumbered Cash, Beginning	9,570		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>25,734</u>		

USD #464 TONGANOXIE, KS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	60,000	60,000	0
Total Cash Receipts	60,000	60,000	0
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff	39,537	53,350	(13,813)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	39,537	\$ 53,350	\$ (13,813)
Receipts Over (Under) Expenditures	20,463		
Unencumbered Cash, Beginning	13,973		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	\$ 34,436		

USD #464 TONGANOXIE, KS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>(Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants	975,681	1,161,625	(185,944)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>975,681</u>	<u>1,161,625</u>	<u>(185,944)</u>
EXPENDITURES			
Instruction	679,189	677,811	1,378
Student support services	17,752	14,047	3,705
Instruction support staff	28,923	189,177	(160,254)
General administration	29,576	30,245	(669)
School administration	65,916	67,624	(1,708)
Operations and maintenance	57,560	74,130	(16,570)
Student transportation services	44,080	47,240	(3,160)
Central support services	21,825	26,446	(4,621)
Other support services			0
Food service operations	30,860	34,905	(4,045)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>975,681</u>	<u>\$ 1,161,625</u>	<u>\$ (185,944)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

USD #464 TONGANOXIE, KS
PARENT EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>18,500</u>	<u>18,500</u>	<u>0</u>
Total Cash Receipts	<u>18,500</u>	<u>18,500</u>	<u>0</u>
EXPENDITURES			
Instruction			0
Student support services	18,500	18,500	0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>18,500</u>	<u>\$ 18,500</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	1,200		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 1,200</u>		

USD #464 TONGANOXIE, KS
 AT RISK FUND (K-12)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>977,628</u>	<u>977,628</u>	<u>0</u>
Total Cash Receipts	<u>977,628</u>	<u>977,628</u>	<u>0</u>
EXPENDITURES			
Instruction	793,339	866,400	(73,061)
Student support services			0
Instruction support staff	71,673	83,600	(11,927)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>865,012</u>	<u>\$ 950,000</u>	<u>\$ (84,988)</u>
Receipts Over (Under) Expenditures	112,616		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 112,616</u>		

USD #464 TONGANOXIE, KS
 VIRTUAL EDUCATION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	2,000	4,000	(2,000)
Total Cash Receipts	2,000	4,000	(2,000)
EXPENDITURES			
Instruction	2,000	4,000	(2,000)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	2,000	\$ 4,000	\$ (2,000)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	\$ 0		

USD #464 TONGANOXIE, KS
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,696,926	\$ 1,649,208	\$ 47,718
Delinquent tax	68,589	8,931	59,658
Motor vehicle tax	157,121	149,091	8,030
RV tax	3,195	2,119	1,076
Federal grants			0
State aid/grants	971,190	971,190	0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>2,897,021</u>	<u>2,780,539</u>	<u>116,482</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service	2,234,469	2,368,760	(134,291)
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>2,234,469</u>	<u>\$ 2,368,760</u>	<u>\$ (134,291)</u>
Receipts Over (Under) Expenditures	662,552		
Unencumbered Cash, Beginning	1,341,142		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,003,694</u>		

USD #464 TONGANOXIE, KS
 RECREATION COMMISSION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 417,248	\$ 404,159	\$ 13,089
Delinquent tax	20,431	2,016	18,415
Motor vehicle tax	43,987	41,723	2,264
RV tax	888	593	295
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>482,554</u>	<u>448,491</u>	<u>34,063</u>
EXPENDITURES			
Instruction			0
Student transportation services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student support services			0
Central support services			0
Community service operations	448,400	448,400	0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>448,400</u>	<u>\$ 448,400</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	34,154		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	<u>\$ 34,154</u>		

USD #464 TONGANOXIE, KS
 RECREATION COMMISSION EMPLOYEE BENEFITS FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 93,555	\$ 91,152	\$ 2,403
Delinquent tax	5,293	576	4,717
Motor vehicle tax	12,540	11,898	642
RV tax	253	169	84
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>111,641</u>	<u>103,795</u>	<u>7,846</u>
EXPENDITURES			
Instruction			0
Student transportation services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student support services			0
Central support services			0
Community service operations	103,707	103,707	0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>103,707</u>	<u>\$ 103,707</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	7,934		
Unencumbered Cash, Beginning	3,699		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 11,633</u>		

USD #464 TONGANOXIE, KS
NONBUDGETED FUNDS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	Textbook Student material <u>Revolving</u>	Contingency Reserve	<u>Title 1</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Federal grants			175,404
State aid/grants			
Charges for services	6,616		
Interest income			
Miscellaneous revenues			
Operating transfers	<u>200,035</u>	<u>100,000</u>	
Total Cash Receipts	<u>206,651</u>	<u>100,000</u>	<u>175,404</u>
EXPENDITURES			
Instruction	275,373		175,404
Student support services			
Instruction support staff			
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers		24,446	
Adjustment for qualifying budget credits			
Total Expenditures	<u>275,373</u>	<u>24,446</u>	<u>175,404</u>
Receipts Over (Under) Expenditures	(68,722)	75,554	0
Unencumbered Cash, Beginning	307,223	341,302	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>238,501</u>	\$ <u>416,856</u>	\$ <u>0</u>

USD #464 TONGANOXIE, KS
 NONBUDGETED FUNDS
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Title II-A Teacher Quality</u>	<u>Carl Perkins (Greenbush)</u>
CASH RECEIPTS		
Taxes and Shared Revenue		
Ad valorem property tax	\$	\$
Delinquent tax		
Motor vehicle tax		
RV tax		
Federal grants	41,904	
State aid/grants		
Charges for services		
Interest income		
Miscellaneous revenues		6,044
Operating transfers		
	<hr/>	<hr/>
Total Cash Receipts	41,904	6,044
	<hr/>	<hr/>
EXPENDITURES		
Instruction	41,904	5,314
Student support services		
Instruction support staff		
General administration		
School administration		
Operations and maintenance		
Student transportation services		
Central support services		
Other support services		
Food service operations		
Student activities		
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
	<hr/>	<hr/>
Total Expenditures	41,904	5,314
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	0	730
Unencumbered Cash, Beginning	0	0
Prior Year Cancelled Encumbrances	0	0
	<hr/>	<hr/>
Unencumbered Cash, Ending	\$ 0	\$ 730
	<hr/>	<hr/>

AGENCY FUNDS
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2015

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll Liabilities	\$ 0	\$	\$	\$ 0
High School Activity Funds				
Art Club	860	727	757	830
Band	11,612	2,355	4,057	9,910
Baseball	3	2,808	2,809	2
Benefit for Golf	215	1,021	755	481
Big Red	132	2,577	2,623	86
Builders Club	178	20		198
Cheerleading	3,296	14,813	16,622	1,487
Chieftain singers	9,924	6,566	8,060	8,430
Class of 2013	0	1,226		1,226
Class of 2014	0	1,320	1,320	0
Class of 2015	2,306			2,306
Class of 2016	1,319	4,154	4,314	1,159
Class of 2017	1,140	1,290		2,430
Class of 2018	0	1,475	322	1,153
Cool school	2,926		2,546	380
Dance team	2,220	12,191	12,425	1,986
Entrepreneurship	2,302	2,247	1,877	2,672
FBLA	733	220	268	685
FCA	111			111
FCCLA	3,742	29,196	32,498	440
FFA	3,208	8,884	7,849	4,243
Foreign language	132			132
Girls letterclub	1,245	4,454	2,271	3,428
Leadership	0	100	100	0
Multimedia class	560	42		602
National Honor Society	2,364	5,177	6,771	770
Performing Arts	5,040	7,151	10,177	2,014
Scholars Bowl	235			235
Science club	1,582	176	1,452	306
Science Olympiad	1,461	1,429	1,889	1,001
Skills	200			200
Spanish	137		34	103
Student activities	2,546	13,012	11,270	4,288
Student Council	3,103	4,348	3,164	4,287
Student Council R.	1,326	26	2	1,350
Suite 104	0	400	49	351
Tongie, Inc	2,886	7,688	6,134	4,440
T club	536			536
T-Town	1,678	710	826	1,562
THS Golf	138	834	817	155
Weight room	36	8,465	1,083	7,418
Wrestling	255	2,768	2,464	559
Yearbook	4,089	11,767	11,402	4,454
Middle School Activity Funds				
Activity	4,256	7,053	2,075	9,234
Band Club	897	4,579	4,936	540
Art Club	29	215	230	14
DARE	15			15
Guitar Club	180	362	84	458
Electives	47		17	30
Environmental Fund	32			32
FACS	573	782	1,042	313
FCCLA	211	2,176	2,364	23
Fine Arts	1,295	1,848	1,100	2,043
History	4,255	15,537	16,612	3,180
I/A Student resale	(42)	7,768	7,726	0
I/A Technology	183	233	416	0
Music	62	1,106	454	714
Science Olympiad	172	685	856	1
Spec Ed	306		70	236
STAR 5th Grade	166		84	82
STAR 6th Grade	138	308	168	278
STAR 7th Grade	45	2,156	252	1,949
STAR 8th Grade	1,365	1,560	677	2,248
STUCO	1,661	1,929	2,519	1,071
Yearbook	2,424	8,975	9,832	1,567
PTO Fundraiser	6,710	16,265	15,161	7,814
Elementary Activity Funds				
STUCO	16,310	21,450	16,642	21,118
Choir Club	0	864	864	0
Total	\$ 117,066	\$ 257,488	\$ 243,188	\$ 131,366

USD #464 TONGANOXIE, KANSAS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts	\$ 20,923	\$	\$ 88,896	\$ 92,479	\$ 17,340	\$ 0	\$ 17,340
High school	11,613		33,098	33,154	11,557	0	11,557
Middle School							
Subtotal Gate Receipts	32,536	0	121,994	125,633	28,897	0	28,897
School Projects							
High School							
AG Mechanics	0		2,133	2,133	0	0	0
Lunch	0				0	0	0
Industrial Arts	0		3,228	3,116	112	0	112
Library	1,814		36		1,850	0	1,850
Pop machine sales	2,299		820	2,942	177	0	177
Sales Tax	1,893		7,950	8,309	1,534	0	1,534
Special Education	72			72	0	0	-
Textbook	105		38,606	38,711	0	0	-
Middle School							
Admin discretion	2,678		1,227	1,908	1,997	0	1,997
Library	675		4,261	4,057	879	0	879
MS musical	3,605		1,134	2,607	2,132	0	2,132
PE	481				481	0	481
Pencil money	151		702	534	319	0	319
Pep Club	1,341		3,007	3,818	530	0	530
Pepsi money	115		1,304	616	803	0	803
Sales tax	181		3,475	3,655	1	0	1
School store	751		1,721	1,553	919	0	919
Student emergency	2,988		1,035	429	3,594	0	3,594
Textbook	50		20,202	19,956	296	0	296
Elementary School							
Library	3,182		758	2,422	1,518	0	1,518
Lunch/Enrollment fees/	0		45,685	45,685	0	0	0
Pop machine sales	3,585			2,081	1,504	0	1,504
Activity fee	136		4,564	3,738	962	0	962
Sales tax	103		784	780	107	0	107
Subtotal School Projects	26,205	0	142,632	149,122	19,715	0	19,715
Total District Activity Funds	\$ 58,741	\$ 0	\$ 264,626	\$ 274,755	\$ 48,612	\$ 0	\$ 48,612

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Karlin & Long, LLC
Certified Public Accountants

Board of Education
Unified School District No. 464
Tonganoxie, Kansas 66086

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 464, Tonganoxie, Kansas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 464, Tonganoxie, Kansas' major federal programs for the year ended June 30, 2015. Unified School District No. 464, Tonganoxie, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 464, Tonganoxie, Kansas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 464, Tonganoxie, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 464, Tonganoxie, Kansas' compliance.

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Opinion on Each Major Federal Program

In our opinion, Unified School District No. 464, Tonganoxie, Kansas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

Unified School District No. 464, Tonganoxie, Kansas' response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 464, Tonganoxie, Kansas' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

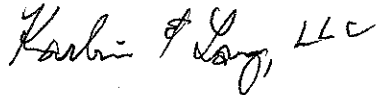
Report on Internal Control Over Compliance

Management of Unified School District No. 464, Tonganoxie, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Unified School District No. 464, Tonganoxie, Kansas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 464, Tonganoxie, Kansas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Karlin & Long, LLC".

Karlin & Long, LLC
Certified Public Accountants

January 31, 2016

...KL...

Karlin & Long, LLC
Certified Public Accountants

Board of Education
Unified School District No. 464
Tonganoxie, Kansas 66086

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL COMPLIANCE REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Auditing and Accounting Guide* and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Unified School District No. 464 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which comprise Unified School District No. 464's basic financial statements, and have issued our report thereon dated January 31, 2016. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unmodified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 464, Tonganoxie, Kansas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 464, Tonganoxie, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 464, Tonganoxie, Kansas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of

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deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (2015-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 464's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

School District's Response to Findings

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied to the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Karlin & Long, LLC
Certified Public Accountants

January 31, 2016

UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2015

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Education:			
Title I	84.010	*	\$ 175,404
Title II	84.367	*	42,044
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Education:			
School Breakfast Program	10.553	*	71,362
National School Lunch Program	10.555	*	333,531
Team Nutrition Training Grant	10.574	*	<u>250</u>
Total Federal Assistance			<u>\$ 622,591</u>

* Not available

UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2015

A. Summary of Audit Results

1. The auditor's report expresses an Adverse Opinion on the financial statements of Unified School District #464 in accordance with Generally Accepted Accounting Principles. The auditor's report expresses an Unmodified Opinion on the financial statements in accordance with the regulatory basis.
2. No significant deficiencies relating to the audit of the general purpose financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of Unified School District #464 were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for Unified School District #464 expresses an unqualified opinion on all major federal programs.
5. Audit findings relative to the major federal award programs for Unified School District #464 are reported in this schedule.
6. The programs tested as major programs included:
Department of Education
National School Lunch Program Cluster CFDA 10.553 to 10.557
7. Unified School District #464 was determined not to be a low-risk auditee.
8. The threshold for distinguishing types A and B programs was \$300,000.

B. Findings – Financial Statement Audit
None

C. Findings and Questioned Costs – Major Federal Awards Programs Audit
Department of Education
National School Lunch Program Cluster CFDA 10.553 to 10.557

No findings of noncompliance or questioned costs were noted.

The accompanying notes to financial statements are an integral part of this statement

UNFIED SCHOOL DISTRICT NO. 464
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2014-001 Financial Reporting

Criteria – All school districts are required to prepare financial statements in accordance with the basis of accounting adopted. This is a responsibility of the District's management. The preparation of financial statements requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including note disclosures (i.e., external financial reporting).

Condition – As in the case with many smaller and medium sized entities, the District has historically relied on its independent external auditors to assist in the preparation of the government-wide fund and fund financial statements, including note disclosures, as part of the external financial reporting process. Accordingly, the District's ability to prepare financial statements is based, in part, on its external auditors, who cannot by definition be considered a part of the District's internal controls financial reporting.

Cause – Management has made the decision that it is in their best interest to outsource the preparation of its annual financial statements to the external auditors rather than incur the time and expense of obtaining the necessary training and expertise require for the district to perform this task internally.

Effect of Condition – As a result of this condition, the District lacks internal controls over the preparation of financial statements, including note disclosures, in accordance with the basis of accounting adopted, and instead relies, in part, on its external auditors for assistance with this task.

Recommendation – we recognize that the district may not have the resources to have an accounting personnel to prepare government – wide and fund financial statements, including note disclosures, in conformity with the adopted basis of accounting. However, we recommend that management continue to increase their knowledge of financial reporting.

View of Responsible Officials – The District has evaluated the benefit of establishing internal controls over the preparation of financial statements, including note disclosures, and determined that it is their best of the District to outsource this task to its external auditors, and to carefully review the draft financial statements, including note disclosures, prior to approving them and accepting responsibility for their content and preservation.

Management's Response (Unaudited) – The district believes that outsourcing the financial statement presentation is acceptable in the circumstances.

UNFIED SCHOOL DISTRICT NO. 464
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-001 Financial Reporting

Criteria – All school districts are required to prepare financial statements in accordance with the basis of accounting adopted. This is a responsibility of the District's management. The preparation of financial statements requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including note disclosures (i.e., external financial reporting).

Condition – As in the case with many smaller and medium sized entities, the District has historically relied on its independent external auditors to assist in the preparation of the government-wide fund and fund financial statements, including note disclosures, as part of the external financial reporting process. Accordingly, the District's ability to prepare financial statements is based, in part, on its external auditors, who cannot by definition be considered a part of the District's internal controls financial reporting.

Cause – Management has made the decision that it is in their best interest to outsource the preparation of its annual financial statements to the external auditors rather than incur the time and expense of obtaining the necessary training and expertise require for the district to perform this task internally.

Effect of Condition – As a result of this condition, the District lacks internal controls over the preparation of financial statements, including note disclosures, in accordance with the basis of accounting adopted, and instead relies, in part, on its external auditors for assistance with this task.

Recommendation – we recognize that the district may not have the resources to have an accounting personnel to prepare government – wide and fund financial statements, including note disclosures, in conformity with the adopted basis of accounting. However, we recommend that management continue to increase their knowledge of financial reporting.

View of Responsible Officials – The District has evaluated the benefit of establishing internal controls over the preparation of financial statements, including note disclosures, and determined that it is their best of the District to outsource this task to its external auditors, and to carefully review the draft financial statements, including note disclosures, prior to approving them and accepting responsibility for their content and preservation.

Management's Response (Unaudited) – The district believes that outsourcing the financial statement presentation is acceptable in the circumstances.

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 464
Tonganoxie, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2015

NOTE 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 464 Tonganoxie, Kansas and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Statutory Basis of Accounting – The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

Unified School District No. 464 has obtained a waiver from generally accepted accounting principles which allows the district to revert to statutory basis of accounting.

Departure from Generally Accepted Accounting Principles – The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and mature principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

TONGANOXIE UNIFIED SCHOOL DISTRICT NO. 232
Tonganoxie, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2015

NOTE 1 – Basis of Accounting (continued)

Departure from Generally Accepted Account Principles (ctd.) - General fixed assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

NOTE 2 – Pass-Through Awards

Unified School District No. 464 receives certain federal awards in the form of pass-through awards from the State of Kansas. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

NOTE 3 – Major Programs

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. The National School Lunch Program Cluster has been determined by the independent auditor to be a major program.

NOTE 4 – Contingencies

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Managements believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.